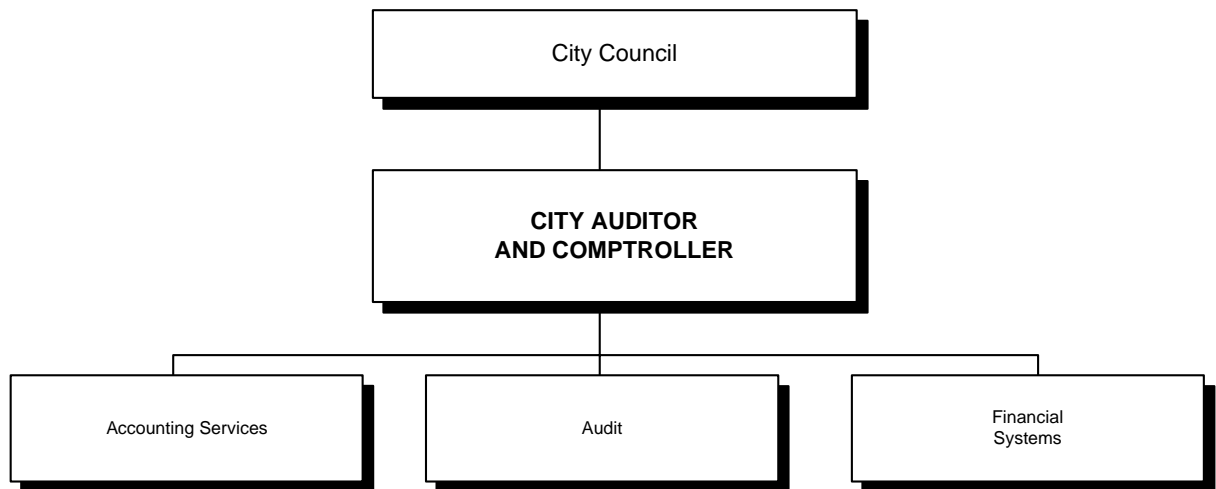


# City Auditor & Comptroller



To provide cost-effective accounting, auditing and fiscal management services to the Mayor, City Council and City management; to work in partnership with the Mayor, City Council and City management to help create positive change and assist in the performance of their mission; to protect the interests of the general public; and to enhance the reputation of San Diego as a fiscally well-managed City.

# City Auditor and Comptroller



# City Auditor and Comptroller

## Department Description

The City Auditor and Comptroller is the Chief Fiscal Officer of the City. This office performs three program functions for the City: accounting, auditing, and designing and maintaining financial systems. The leadership group provides the planning and direction for this office; functions as a fiscal advisor to the Mayor, Council Members, City Manager and Management; and is a leader on the City Finance Team.

## Milestones Met/Services Provided

For the 12<sup>th</sup> year in a row, the Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Diego for its Comprehensive Annual Financial Report. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. In continuing this tradition, the City Auditor and Comptroller is in the process of implementing the accounting and reporting requirements of Governmental Accounting Standards Board Statement No. 34 (GASB 34), which is the most significant change in the financial reporting standards for state and local governments in more than 25 years.

During the past fiscal year, the Office of the City Auditor and Comptroller has been involved in a number of significant City projects. The Office provided substantial analytical support related to the financing and accounting requirements for the \$449.4 million Ballpark Redevelopment Project, and financial and analytical assistance to the Engineering and Capital Projects and

Real Estate Assets departments in the oversight of the State Route - 56 CIP project. At the Mayor's request, the City Auditor and Comptroller provided assistance to the Mayor's Blue Ribbon Committee on City finances to evaluate the City's fiscal health. At Council's request, a process was developed to enable the Mayor and City Council to obtain an in-depth understanding of departmental operations for consideration during budget reviews. Two departments have been through the process this year. Also, the City Auditor and Comptroller has implemented an Electronic Payroll Advice System (E-Pay) which enables the online delivery of pay information directly to employees, and provides historical pay information as well as other employee benefit information. This system reduces/eliminates the need for time consuming and expensive manual distribution of payroll information.

## Future Outlook

In the coming year, the City Auditor and Comptroller will continue to assist City departments in meeting their goals. The office will provide increased financial services related to the expansion of the Sewer Main Replacement Program from 15-20 miles per year to 60 miles per year. The City Auditor and Comptroller staff will participate on the Finance Team and provide support and analytical accounting assistance for the following financings: Fire and Life Safety Facilities, Library, Water Revenue Bonds, and Sewer Revenue Bonds. The office will also track and monitor expenditures for Community Facilities District No. 3, Naval Training Center/Liberty Station, with anticipated bond issuances up to \$30 million.

## Significant Budget Adjustments

City Auditor and Comptroller	Positions	Cost
<b>Personnel Expense Adjustments</b>	0.00 \$	305,818
Adjustments to reflect the annualization of the Fiscal Year 2002 negotiated salary compensation schedule, average salaries, fringe benefits and other personnel expense adjustments.		
<b>Staffing for Additional Accounting Services (Reimbursable)</b>	1.50 \$	103,465
Addition of 1.50 Accountant II for work related to: MWWD increasing the rehabilitation and replacement of deteriorated pipelines; the increased activity in Redevelopment Areas; the proposed increase to SDG&E franchise for Undergrounding; and the Police Department's High Intensity Drug Trafficking Area grant reimbursement requests. These positions will be funded by the above mentioned departments/funding sources.		
<b>Support for Police Department</b>	0.00 \$	5,045
Support for the addition of 10.00 Police Officers in the Neighborhood Policing Program. This program addresses public safety issues and problems contributing to crime in the City's neighborhoods.		
<b>Non-Discretionary</b>	0.00 \$	(4,735)
Adjustments to reflect expenses that are determined outside of the department's direct control. Examples of these adjustments include utilities, insurance, and rent.		
<b>Budgetary Savings Plan</b>	0.00 \$	(154,987)
Reduction in personnel expense due to reduced temporary help.		

# City Auditor and Comptroller

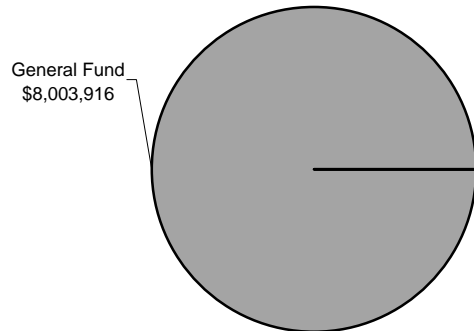
City Auditor and Comptroller			
	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
Positions	93.12	96.37	97.87
Personnel Expense	\$ 6,596,758	\$ 7,156,133	\$ 7,415,476
Non-Personnel Expense	589,223	593,177	588,440
<b>TOTAL</b>	<b>\$ 7,185,981</b>	<b>\$ 7,749,310</b>	<b>\$ 8,003,916</b>

Department Staffing	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
<b>GENERAL FUND</b>			
City Auditor and Comptroller	93.12	96.37	97.87
<b>Total</b>	<b>93.12</b>	<b>96.37</b>	<b>97.87</b>

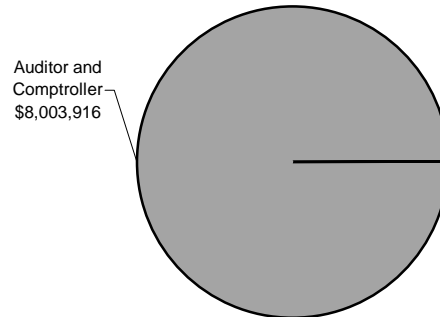
Department Expenditures	FY 2001 ACTUAL	FY 2002 BUDGET	FY 2003 PROPOSED
<b>GENERAL FUND</b>			
City Auditor and Comptroller	7,185,981	7,749,310	8,003,916
<b>Total</b>	<b>\$ 7,185,981</b>	<b>\$ 7,749,310</b>	<b>\$ 8,003,916</b>

# City Auditor and Comptroller

**Source of Funding**



**Allocation of Funding**



## Key Performance Measures

	FY 2001 Actual	FY 2002 Budget	FY 2003 Proposed
Financial Reporting - Average cost per dollar reported <sup>(1)</sup>	\$0.000187	\$0.000196	<b>\$0.000212</b>
Certification of Funds Availability - Average cost per dollar certified	\$0.000337	\$0.000369	<b>\$0.000368</b>
Accounts Payable - Average cost per dollar processed	\$0.000431	\$0.000543	<b>\$0.000548</b>
Payroll - Average cost per dollar processed	\$0.001135	\$0.001157	<b>\$0.001125</b>
Audit - Percent of costs recovered	162%	100%	<b>100%</b>

<sup>(1)</sup>Governmental Accounting Standards Board Statement No. 34, which is the most significant change in financial reporting standards for state and local governments in more than 25 years, has increased the resources necessary to ensure continued compliance with generally accepted governmental accounting standards. This compliance is necessary to receive unqualified audit opinions on financial reports.

# City Auditor and Comptroller

## Division/Major Program Descriptions

### Accounting Services

This program provides accounting services and support to the Mayor, City Council, City departments, commissions and related City agencies; maintains accounting records for City assets and fiscal activities; reviews transactions for fiscal compliance with related legal and policy requirements; monitors and projects expenses and revenues; prepares statements and reports of City financial activities as needed or required by various governmental agencies, in accordance with generally accepted accounting standards; and coordinates City payment processing (employee and retiree payrolls and commercial warrants) in compliance with appropriate laws, rules and regulations.

### Audit

The Audit Division consists of the Internal and External Audit Sections. Internal Audit performs economy and efficiency audits, special investigations, performance measure audits, and Citywide audits; determines compliance with City directives and internal controls; and ensures the proper accountability of revenues and expenditures of City departments, grant-funded programs and various agreements. External Audit ensures that revenues due to the City by hotels, lessees, businesses, franchisees and other organizations are accurate and received in a timely manner.

### Financial Systems

This program designs and maintains the computerized financial systems necessary to ensure the fiscal integrity of the City's financial records. In addition, this program provides assistance in designing, programming and implementing the fiscal component of other department systems as requested by the City Manager's Office. This program also coordinates modifications to interfaces between Auditor systems and those of other departments.

# City Auditor and Comptroller

## Salary Schedule

### GENERAL FUND

#### City Auditor and Comptroller

<i>Class</i>	<i>Position Title</i>	<i>FY 2002 Positions</i>	<i>FY 2003 Positions</i>	<i>Salary and Fringe</i>	<i>Total</i>
1100	Accountant III	9.00	<b>10.00</b>	80,493	804,931
1103	Account Audit Clerk	12.00	<b>12.00</b>	46,523	558,279
1133	Senior Account Audit Clerk	5.00	<b>5.00</b>	53,451	267,255
1183	Accountant IV	6.50	<b>8.50</b>	94,471	803,004
1535	Clerical Assistant II	1.00	<b>1.00</b>	41,615	41,615
1617	Micrographics Clerk	1.00	<b>1.00</b>	42,732	42,732
1647	Payroll Audit Specialist I	2.00	<b>2.00</b>	53,235	106,470
1648	Payroll Specialist II	1.00	<b>1.00</b>	49,114	49,114
1649	Payroll Audit Specialist II	4.00	<b>4.00</b>	55,989	223,956
1746	Word Processing Operator	1.00	<b>1.00</b>	42,955	42,955
1842	Accountant II	38.87	<b>37.37</b>	68,975	2,577,605
1876	Executive Secretary	1.00	<b>1.00</b>	60,387	60,387
1886	Payroll Audit Supv-Auditor	1.00	<b>1.00</b>	63,326	63,326
2107	Assistant City Auditor & Compt	1.00	<b>1.00</b>	171,229	171,229
2137	City Auditor & Comptroller	1.00	<b>1.00</b>	206,181	206,181
2217	Financial Operations Manager	4.00	<b>4.00</b>	136,990	547,959
2228	Principal Accountant	7.00	<b>7.00</b>	112,732	789,122
	Temporary Help	0.00	<b>0.00</b>		59,356
	<b>Total</b>	<b>96.37</b>	<b>97.87</b>		<b>\$ 7,415,476</b>
<b>CITY AUDITOR AND COMPTROLLER TOTAL</b>		<b>96.37</b>	<b>97.87</b>		<b>\$ 7,415,476</b>



# City Auditor and Comptroller

## Five-Year Expenditure Forecast

	<b>FY 2003 PROPOSED</b>	<b>FY 2004 FORECAST</b>	<b>FY 2005 FORECAST</b>	<b>FY 2006 FORECAST</b>	<b>FY 2007 FORECAST</b>
Positions	<b>97.87</b>	101.87	104.87	104.87	104.87
Personnel Expense	<b>\$ 7,415,476</b>	\$ 7,906,988	\$ 8,345,984	\$ 8,596,363	\$ 8,854,254
Non-Personnel Expense	<b>588,440</b>	606,093	624,276	643,004	662,294
<b>TOTAL EXPENDITURES</b>	<b>\$ 8,003,916</b>	\$ 8,513,081	\$ 8,970,260	\$ 9,239,367	\$ 9,516,548

### Fiscal Year 2004

Addition of 1.00 Accountant II to provide grant accounting services to meet Park and Recreation state grant mandated procedures.

Addition of 1.00 Accountant II to accommodate for growth in general City activity anticipated in the Library System, Fire and Life Safety, and other programs.

Addition of 1.00 Account Audit Clerk to accommodate increased Accounts Payable activity related to MWWD sewer main replacement acceleration.

Addition of 1.00 Accountant II for the development, upgrade, and implementation of the General Ledger on the mainframe computer system.

### Fiscal Year 2005

Addition of 1.00 Accountant II in Internal Audit to perform special requests and investigations.

Addition of 1.00 Accountant II for the development, upgrade, and implementation of the General Ledger on the mainframe computer system.

Addition of 1.00 Accountant II to provide Auditor involvement in information system development to ensure compliance with federal, state, and local mandated changes and review departmental policies on safeguarding computer generated information.

### Fiscal Year 2006 - Fiscal Year 2007

No major projected requirements.